



## Overdraft Protection Program Disclosure

Updated Effective: February 1, 2025

In this disclosure, the words “I,” “my,” “me,” and “owner” mean any and all persons who sign a Membership Application or any other Application in connection with the opening of any Account with Kings Federal Credit Union. The words “you,” “your,” “Credit Union,” and “KFCU” mean Kings Federal Credit Union.

The Statements of Terms, Conditions and Disclosures provided to me at the time I opened my account with you establish my duties, obligations and rights, and the duties, obligations, and rights of Authorized Signatories on my accounts and of KFCU with regard to my checking account.

Overdraft Protection is not a line of credit and requires no application or credit approval process. However, if I inadvertently overdraw my account, you will have the discretion to pay the overdraft, subject to the authorized limit of (1) my Overdraft Protection as reduced by (2) the amount of the overdraft fee(s). This courtesy of paying overdrafts requires no accountholder action. If I maintain the account in good standing and have need for this “courtesy”, you may, at your sole discretion, pay the item(s) up to the authorized limit, and you will charge the account your normal Non-Sufficient Funds or Overdraft Protection charge for each item that overdraws the account. The Credit Union is not under any legal obligation to pay overdrafts and holds no responsibility for unpaid items.

As used in this Overdraft Protection Agreement, the word “overdraft” includes a negative balance in my checking account that may occur for various reasons, including, but not limited to: (1) the payment of checks, electronic transfers, telephone-initiated transfers, preauthorized payments under your Bill Pay Service, or other withdrawal requests authorized by me including, but not limited to, ATM transactions, VISA Debit Card® transactions, Point of Sale transactions, ACH transactions, and other preauthorized transfers, for which funds are insufficient; (2) the return (unpaid) of items deposited by me; (3) the imposition of service charges by you; or (4) the deposit of items which are treated as not yet “available” according to your Funds Availability Policy. Any discretionary payment by KFCU of an overdraft does not obligate KFCU to pay any other overdraft or to provide prior notice of its decision to refuse to pay such overdraft.

Pursuant to KFCU’s commitment to always provide the best level of service, now and in the future, if account owners are at least 18 years of age, my account has been open for at least ninety (90) days and thereafter I maintain my account in good standing, which includes at least:

- Making regular deposits and bringing the account to a positive balance at least every 30 days;
- Having a valid address;
- Not having caused a loss to Kings Federal Credit Union;
- There are no legal or administrative orders or levies on the account;
- Not having a (any) delinquent loan(s) with the Credit Union;
- The owner is not a party in a bankruptcy proceeding; and
- There is no apparent illegal or abusive activity on the account.

KFCU will have the discretion to pay overdrafts (determined by reference to my available balance) within the authorized Overdraft Protection limits. This privilege will generally be limited to a maximum of \$500 overdraft (negative) balance. Any and all fees and charges, including, without limitation, the Overdraft Protection fees (as set forth in your fee schedule), will be included as part of this maximum amount. It may be possible that my account will become overdrawn in excess of the Overdraft Protection amount as a result of the assessment of a fee. The total of the discretionary Overdraft Protection (negative) balance, which includes any and all fees and charges, including all overdraft fees, is due and payable upon demand.

**Overdraft Fees:** More than one Overdraft Protection Program fee may be assessed against my checking account per day depending upon the number of overdrafts paid through the Overdraft Protection Program. The amount of each Overdraft Protection Program fee is equal to your standard overdraft fee of \$14. There is a limit of three (3) Overdraft Protection Program fees per day that you will charge me for overdrawing my account. However, I understand that if I have opted in for coverage of ATM and Debit Card transactions, I may be assessed more than three (3) fees in one day. In such cases, I understand and agree that you will refund (credit back) any Overdraft Protection Program fees that were charged in excess



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of the three (3) per day limit within two (2) business days. KFCU will not charge an Overdraft Protection Program fee for items that overdraw my account and result in an account balance of negative \$15.00 (-\$15.00) or less.

I understand that my Overdraft Protection Program Limit shall be reduced by the amount of each overdraft paid by you through the Overdraft Protection Program and the amount of the related Overdraft Protection Program fee imposed until such amounts are repaid by me as set forth herein at which time you may replenish my Overdraft Protection Program Limit by the amount of the repayment. If you choose not to pay the overdrawn check or other item/transaction under the Overdraft Protection Program, I may be subject to an NSF Fee as set forth in your Rate and Fee Schedule for each such item as permissible by applicable law. For the sake of clarity, I understand and agree that an NSF Fee may be charged each time an item is presented that cannot be paid due to lack of sufficient available funds. This means that if an item is returned unpaid, my account may be charged an NSF Fee and if the same item is represented and cannot be paid, my account will be subject to another NSF Fee for the same item. As such, a single item may be subject to multiple NSF Fees.

I will be notified by mail of any nonsufficient funds checks, items, or other transactions that have been paid or returned; however, I understand that you have no obligation to notify me before you pay or return any check, item, or other transaction. You may refuse to pay any overdrafts without first notifying me even though my account is in good standing and even if you have paid previous overdrafts.

While KFCU will have the discretion to pay overdrafts on accounts in good standing (as described above), any such payment is a discretionary courtesy, and not a right of the member or an obligation of KFCU and KFCU, in its sole and absolute discretion, can cease paying overdrafts at any time without prior notice of reason or cause.

**Opt-In:** KFCU will not pay overdrafts for ATM or everyday debit card transactions unless KFCU has provided me with the notice required by section 1005.17(b) of Regulation E and I have opted in to the payment of these overdrafts. If I opt in for coverage, I am able to revoke my consent at any time by contacting the Credit Union by phone at 559-582-4438, by visiting our office or mailing us at Kings Federal Credit Union, 1415 W Lacey Blvd, Hanford CA 93230.

**Checking Account Balance:** My checking account has two kinds of balances: the “actual” (also referred to as the “ledger” or “current” balance) and the “available” balance. I can review both balances when I review my account online, at an ATM, by phone, or at a branch. It is important to understand how the two balances work so that I know how much money is in my account at any given time.

My “actual/ledger/current” balance is the amount of money that is actually in my account at any given time. It reflects transactions that have “posted” to my account, but it does not include transactions that have been authorized and are pending. While it may seem that the actual balance is the most up-to-date display of the funds that I can spend, this is not always the case. My account may have purchases, holds, fees, other charges, or deposits made on my account that have not yet posted and, therefore, will not appear in my actual balance.

My “available” balance is the amount of money in my account that may be available to me to use without incurring an overdraft fee. The available balance takes into account holds placed on deposits and pending transactions (such as pending debit card purchases) that the credit union has authorized but that have not yet posted to my account. It is important to understand that I may still overdraw my account even though the available balance appears to show there are sufficient funds to cover a transaction that I want to make. This is because my available balance may not reflect outstanding checks and automatic bill payments that I have authorized (or other outstanding transactions) but have not yet posted to my account.

**Transaction Processing:** Transactions will be processed against the available balance in the account at the time of processing. Importantly, the actual balance and available balance may differ as the available balance may be reflective of any pending ATM or debit card transactions that have not posted to the account or due to check holds. You use the available balance when determining whether a transaction will cause my account to overdraw and for charging overdraft fees. There are many ways transactions are presented for payment by merchants and you are not necessarily in control of when transactions are received. You may receive multiple deposit and withdrawal transactions on my account in many different forms throughout



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each business day. This means I may be charged more than one fee if you pay multiple transactions when my account is overdrawn.

I understand that items (other than ACH transactions) presented for payment on the same day will be paid chronologically, in the order they were received by you, until all items received on the same day are paid or until my Overdraft Protection Limit (reduced by the amount of any Overdraft Protection Program fee) is reached, whichever occurs first. ACH transactions are received in "batches," which means that numerous ACH items may be received at the same time in a single batch. ACH batches may be received at various times throughout the day. ACH items are paid when received, except that ACH items within a single batch are paid chronologically, in the order in which they are presented to you in the batch. The order of payment described above means that items may not be processed in the order in which they actually occurred. I understand that the order in which items are processed can affect the total amount of fees assessed against my Checking Account.

**Transfers from Other Accounts:** I agree that you have the right to transfer available funds from my other accounts I may have with you to cover the overdraft and pay permissible fees. I understand and agree that you may transfer funds to my checking account from any of my other account(s) with you (excluding IRA accounts), including account(s) upon which I am a joint owner, in an amount equal to the overdraft which you may pay according to the terms and conditions of this Agreement and Disclosure and to pay the permissible fees. In addition to any other rights that you may have, I agree that any deposits or future deposits in or other credits to any account in which I may now or in the future may have an interest are subject to your right of off-set for any liabilities, obligations, or other amounts owed to you by me (e.g., overdrafts and any related fees and charges) and such is applicable irrespective of any contribution to the account or source of funds in the account. Moreover, unless I opt-out of the Overdraft Protection Program (see below), I consent and expressly agree that the application of an offset of funds in any account includes the offset of government benefits (such as Social Security and other public benefit funds) deposited to the account from which the overdraft or related fees are paid. Each person who causes an overdraft, which is paid by you, is a maker and agrees to be individually and jointly obligated to repay the unpaid negative balance in accordance with the terms and conditions of this Overdraft Protection Program Disclosure.

**Default:** I will be in default under the terms of this Overdraft Protection Program Disclosure if I fail to live up to any of the terms and conditions of Overdraft Protection Program Disclosure or I am in default on any loan obligation with you and/or a negative balance exists in any other deposit account with you on which I am an owner. If I am in default, in addition to any other rights you may have, you may temporarily suspend overdraft privileges or terminate my access to the Overdraft Protection Program or close my checking account and demand immediate payment of the entire unpaid negative balance. I also agree to pay any collection costs, attorneys' fees, and court costs which you or I shall or may incur as a result of my default.

**Termination.** You may terminate or suspend the Overdraft Protection Program at any time without prior notice. In no event shall any termination or suspension relieve me of my obligation to repay such sums already overdrafted, overdraft fees, collection costs, and attorneys' fees, if any. You can delay enforcing any of your rights under this Overdraft Protection Program Disclosure without losing them.

**Opt-Out:** Although I am not charged for using Overdraft Protection unless I have an overdraft, I may opt-out of Overdraft Protection at any time. If I do not want you to pay my overdrafts, I must tell you ("opt-out"). If I receive Social Security or other federal benefit direct deposits, I must opt-out if I do not want you to apply those funds to repay an overdraft. I may opt-out of Overdraft Protection at any time by visiting a KFCU branch or contacting you at 559-582-4438.

**Alternatives to Overdraft Protection:** You offer other ways of covering my overdrafts that may be less expensive, such as linking my checking account to another deposit account or to an overdraft line-of-credit loan. Overdraft Protection will only be activated when funds available through other overdraft arrangements have been exhausted. I will contact you to learn more about my options.

**Limitations:** You may limit the number of accounts eligible for the Overdraft Protection Program to one account per household.